

# NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

## Agency Information

- Agency: Insurance - Administration  
Room no.: 3110  
Building: STATE OFFICE BLDG  
Street address 1: 450 N MAIN ST  
Street address 2:  
City, state, zip: SALT LAKE CITY UT 84114-1201  
Mailing address 1: PO BOX 146901  
Mailing address 2:  
City, state, zip: SALT LAKE CITY UT 84114-6901

## Contact person(s):

Name:	Phone:	Fax:	E-mail:
Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

## Rule Information

DAR file no:	34152	Date filed: 10/14/2010 11:06 AM
State Admin Rule Filing Key:	150324	
Utah Admin. Code ref. (R no.):	R 590 - 222 - 5	
Changed to Admin. Code ref. (R no.):	- -	

## Title

- Title of rule or section (catchline):  
License Requirements.

## Notice Type

- Type of notice: Amendment

## Rule Purpose

- Purpose of the rule or reason for the change:  
The department inadvertently failed to include the failure to submit a renewal application as a reason to lapse the license.

## Response Information

- This change is a response to comments by the Administrative Rules Review Committee.  
No

## Rule Summary

- Summary of the rule or change:  
The change adds one additional situations in which a license may be lapsed.

## Aggregate Cost Information

## 7. Aggregate anticipated cost or savings to:

## A) State budget:

Affected: No

This will not create any additional work for department employees. The process for review of renewals is already in place.

## B) Local government:

Affected: No

This rule only applies to the relationship between the department and their licensees.

## C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

The change to this rule will affect small and large businesses the same. The rule already requires Life Settlement Providers to submit a renewal application. The change provides for a penalty if not submitted. Failure to submit the renewal application has been a problem in the past and could result in a late fee of \$50 if the license is not renewed within 30 days of the renewal date. If the license is not activated at this point the provider will need to reapply for a license and pay \$1,650, whereas the renewal fee is \$950. Currently there are around 27 Life Settlement Providers licensed in Utah.

## D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

The change to this rule will affect small and large businesses the same. The rule already requires Life Settlement Providers to submit a renewal application. The change provides for a penalty if not submitted. Failure to submit the renewal application has been a problem in the past and could result in a late fee of \$50 if the license is not renewed within 30 days of the renewal date. If the license is not activated at this point the provider will need to reapply for a license and pay \$1,650, whereas the renewal fee is \$950. Currently there are around 27 Life Settlement Providers licensed in Utah. This rule will have no fiscal impact on consumers.

## Compliance Cost Information

## 8. Compliance costs for affected persons:

The change to this rule will affect small and large businesses the same. The rule already requires Life Settlement Providers to submit a renewal application. The change provides for a penalty if not submitted. Failure to submit the renewal application has been a problem in the past and could result in a late fee of \$50 if the license is not renewed within 30 days of the renewal date. If the license is not activated at this point the provider will need to reapply for a license and pay \$1,650, whereas the renewal fee is \$950. Currently there are around 27 Life Settlement Providers licensed in Utah. This rule will have no fiscal impact on consumers.

## Department Head Comments

## 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

Life Settlement Providers will need to be vigilant in the renewal of their policies so as to not allow them to lapse incurring a \$50 late fee or \$1,650 fee to issue a new license.

## B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Insurance Commissioner

## Citation Information

## 10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-2-201

31A-36-119

## Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):  
 Publisher:  
 Date Issued:  
 Issue, or version:  
 ISBN Number:  
 ISSN Number:  
 Cost of Incorporated Reference:  
 Adds, updates, removes:

## Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

12/01/2010

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

## Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 12/08/2010

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

## Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):  
 insurance life settlement

## File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

## To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

## Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information  
 Specialist

Date (mm/dd/yyyy): 10/14/2010